

CHAPTER 11

SECTION 12.1

RTC EDUCATIONAL COSTS

Issue Date: August 3, 1988

Authority: Title 10 U.S.C., Chapter 55, Section 1079 (a)(9) and [32 CFR 199.4\(b\)\(1\)\(v\)](#)

I. ISSUE

Policy regarding the coverage of general or special educational costs in Residential Treatment Centers (RTCs).

II. DEFINITIONS

A. Under Public Law 94-142 "handicapped child" is defined as being mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, orthopedically impaired, other health impaired, deaf-blind, multi-handicapped, seriously emotionally disturbed, or having specific learning disabilities, who because of those impairments need education and related services.

B. "Seriously emotionally disturbed" is further defined under P.L. 94-142 as follows:

1. The term means a condition exhibiting one or more of the following characteristics over a long period of time and to a marked degree, which adversely affects educational performance:

a. An inability to learn which cannot be explained by intellectual, sensory, or health factors;

b. An inability to build or maintain satisfactory interpersonal relationships with peers and teachers;

c. Inappropriate types of behavior or feeling under normal circumstances;

d. A general pervasive mood of unhappiness or depression, or

e. A tendency to develop physical symptoms or fears associated with personal or school problems.

2. The term includes children who are schizophrenic or autistic. The term does not include children who are socially maladjusted, unless it is determined that they are seriously emotionally disturbed.

C. "Special education" means specially designed instruction to meet the unique needs of a handicapped child including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions.

III. BACKGROUND

A. The Education of the Handicapped Act is the primary source of federal aid to state and local school systems for instructional and support services to handicapped children. Part B of this grant-in-aid program requires participating states to furnish all handicapped children with a free, appropriate public education in the least restrictive setting. In 1975 the Education for All Handicapped Children Act (P.L. 94-142) expanded the Part B Program into a multi-billion dollar commitment to assist state and local educational agencies to provide appropriate education services for handicapped children. States also receive additional funding under the Elementary and Secondary Education Act of 1965 and Vocational Education Act of 1983 for the education of the handicapped.

B. P.L. 94-142 is a unique federal statute in that it imposes requirements on states which must be implemented regardless of the amount of federal funds available. Given the scope and magnitude of this law, each state may use whatever state, local, federal and private sources of support are available in the state to guarantee a free appropriate public education.

C. Due to the budgetary constraints experienced at all government levels, TRICARE has received Public Official Statements from local school districts indicating that coverage is not available for TRICARE beneficiaries.

IV. POLICY

A. Services and supplies related to the provision of either regular or special education generally are not covered. Such exclusions apply whether a separate charge is made for education or whether it is included as part of an overall combined daily charge of an institution. In the latter instance, that portion of the overall combined daily charge related to education must be determined, based on the allowable costs of the educational component, and deleted from the institution's charges before benefits can be extended. The only exception is when appropriate education is not available from or not payable by the local public school district in which the beneficiary was last enrolled.

B. It is the responsibility of the institution providing the care and the beneficiary/sponsor to obtain a Public Official Statement (POS). Signatory and informational requirements for a bona fide POS can be found in the [OPM Part Two, Chapter 12, Addendum A, Figure 2-12-A-3](#), and in CHAMPUS Form 769.

C. Requests for payment of educational costs must be referred to the contractor for determination of the applicability of benefits. The contractor will deny authorization for the educational component of RTC care until an official denial has been received from the school district specified above.

D. The contractor will make a decision on whether the public official statement meets the exception for coverage under the program. An authorization must be on file at the contractor before coverage can be extended. (Refer to the [Chapter 11, Section 9.2](#) and the [OPM Part Two, Chapter 1, Section IV.H.4.](#), for further information.)

V. POLICY CONSIDERATIONS

A. To qualify for reimbursement of educational costs in individual cases, the RTC shall comply with the application procedures established by the Executive Director, TMA, or designee. As part of its admission procedures, the RTC must counsel and assist the beneficiary and the beneficiary's family in the necessary procedures for assuring their rights to a free and appropriate public education. There must be documentation in the beneficiary's record to substantiate this intake procedure.

B. The RTC must document any reasons why an individual beneficiary cannot attend public educational facilities and why alternative educational arrangements have not been provided by the cognizant public entity. Upon request, the RTC should be able to produce a copy of all pertinent correspondence with state or local educational agencies.

C. If reimbursement of educational costs is approved for an individual beneficiary by the contractor, such educational costs shall be shown separately from the RTC's daily costs on the TRICARE claim. The amount allowed shall not exceed the RTC's most-favorable rate to any other patient, agency, or organization for special or general education services whichever is appropriate. When a local school district reimburses authorized educational costs, but their payment does not completely cover the RTC's most-favorable rate, TRICARE shall cover the remaining amount.

D. The certification for educational services will be valid during the entire authorized residential treatment center stay; i.e., from admission through discharge or denial of continued stay authorized by the contractors, whichever occurs first. The following guidelines will be used in processing and payment of RTC educational services:

1. Educational charges will be denied if there is no record of an education certification (authorization) on file.

2. Adjustments will not be required for previously denied education charges when an education certification is received after the claim is processed unless it is specifically requested by the provider.

3. When an authorization is received for continued length of stay and an education certification is on file, the system will be flagged to cover education charges for the entire length of authorized care so that when a subsequent claim is received from the RTC, previously denied charges will be automatically adjusted and paid.

E. If the RTC fails to request TRICARE approval of educational costs on an individual case, the RTC may not bill the beneficiary nor the beneficiary's family for amounts disallowed by TRICARE.

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